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13 June 1967

MEMORANDUM FOR: Executive Director-Comptroller

THROUGH : Deputy Director for Science and Technology

SUBJECT : Purchase of IBM 360 System Components

1. This memorandum contains, in paragraph 5, a recommendation for your approval.

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25X1
2. In December 1966, the BoB proposed that additional FY-68 funds be made available to CIA, specifically for the purchase of ADP equipment in lieu of rental. OCS reviewed its equipment plans and recommended the purchase of [redacted] worth of equipment, consisting principally of IBM 360 System central processors and core storage units. The BoB approved a [redacted] increase in the OCS budget for these purchases, the balance of the purchase price to be made up from savings in planned FY-68 rentals.

25X1
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25X1
3. The total OCS budget for authorized equipment purchases in FY-68 is now [redacted] (having been budgeted for purchase prior to the BoB proposal). We have developed a list of proposed components to purchase. [redacted]
[redacted] The total cost for these components will be kept within FY-68 budget figures. It is to the Agency's advantage to purchase this equipment as early as possible in FY-68 so as to receive the maximum benefit from rental savings. The number of months required to reach a break-even point for purchase and maintenance costs on the one hand and projected rental costs on the other is approximately 40 months, there being some slight variance possible based on the projection of extra usage beyond one shift. After this break-even point, a savings of approximately [redacted] 25X1
[redacted] in rentals will occur.

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25X1 4. A short time ago I sent to you a paper recommending approval for acquisition of [] computer on rental, noting that such acquisition had been authorized in principle, but because it represented a temporary departure from our IBM 360 plans, I wanted to reaffirm your approval of such action. This memorandum reflects a transaction of considerably higher dollar value than our previous rental transactions, hence for my own guidance as well as for the Office of Logistics, I wish to ensure your awareness, and reaffirm your approval, of this purchase action.

5. I therefore recommend that you approve the OCS program for purchase of computer equipment within its authorized FY-68 budget. OCS will coordinate detailed transactions comprised in this program with the Chief, Information Processing Staff, O/PPB.

25X1 []
CHARLES A. BRIGGS
Director of Computer Services

CONCUR:

25X1 []
Deputy Director for Science and Technology

19 JUN 1967

(date)

25X1 APPROVED:

[]
Executive Director-Comptroller

23 June 67
(date)

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